



MEMORANDUM

Date: August 11, 2015

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator 

Re: **Rillito Park Foundation Proposed Management and Operating Agreement**

The Rillito Park Foundation operated Rillito Park during horseracing and other limited activities this past year.

Rillito Park is undergoing a major renovation where soccer field development is currently underway and will be completed by October 2015. In total, 11 soccer fields will now be available in Rillito Park, making it the only public park within the region with this number of soccer fields. Nine of those fields will be lit.

In addition to the racetrack, grandstands and other facilities, an active and successful farmer's market occurs at Rillito Park every weekend.

The existing agreement with the Rillito Park Foundation has two, one-year options remaining. The Foundation would like to extend the management and use agreement and further define their roles and operating responsibilities regarding the various components of Rillito Park.

On August 3, 2015, the Foundation submitted the attached proposal. This proposal is now being reviewed by County staff, including Assistant County Administrator Nanette Slusser, Natural Resources, Parks and Recreation, Tourism and Economic Development, Facilities Management and the Office of Sustainability and Conservation. Each will comment on the proposed expanded operating agreement, and the soccer community will also be asked to review and comment on this proposal.

These reviews should be completed within 10 days, allowing for the development of a formal operating agreement to be placed on the Board of Supervisors agenda for consideration in mid-September 2015.

CHH/anc

Attachment

The Honorable Chair and Members, Pima County Board of Supervisors
Re: **Rillito Park Foundation Proposed Management and Operating Agreement**
August 11, 2015
Page 2

c: John Bernal, Deputy County Administrator for Public Works
Tom Burke, Deputy County Administrator for Administration
Nanette Slusser, Assistant County Administrator for Public Works Policy
Chris Cawein, Director, Natural Resources, Parks and Recreation
Tom Moulton, Director, Office of Economic Development and Tourism
Michael Kirk, Director, Facilities Management
Linda Mayro, Director, Office of Conservation and Sustainability
A. Russell True, Chairman, Rillito Park Foundation



August 3rd, 2015

BOARD OF DIRECTORS

Mr. C. H. Huckelberry
Pima County Administrator
130 West Congress - 10th Floor
Tucson, AZ 85701

JOE CASTILLO

Dear Mr. Huckelberry:

FRANK. B. DEFAZIO,
Treasurer

On behalf of the Board of Directors for the Rillito Park Foundation, I would like to submit the following proposal for your consideration. Our proposal calls for year-round management of all non-soccer related facilities at the Rillito Regional Park by the foundation in a public-private partnership model akin to the agreement with Pima County Fairgrounds. In addition, we envision working with Pima County Parks and recreation to improve the pitches located in the infield.

KAISSA GURVINE

We believe that the multi-use vision for Rillito Park can be enhanced and flourish with cooperation from all constituencies under a management structure overseen by the foundation. Combining certain operational, administrative, and marketing costs can lower current expenses for each individual user group; and optimize the park schedule for best use.

WALTER ROGERS,
Vice-President

RICK SCHANTZ

As we are a 501(c)(3) recognized Arizona non-profit, the Rillito Park Foundation is eligible for tax-deductible donations from other foundations and individuals, as well as grants from federal and regional sources. To-date, we have received over \$700,000 in donations and pledges. We believe our fundraising efforts will garner much larger awards once a long-term agreement with Pima County is in place, as well as open the door to multi-year contracts with local and national businesses for their marketing and advertising dollars.

MANISH SHAH

More importantly, a hands-on management agreement with Pima County would allow the foundation to apply day-to-day business practices to operations, marketing, and fundraising.

RUSSELL TRUE,
Chairman, Secretary

CHANDLER WARDEN

We are confident that the multi-use path Rillito Park is on is the right one. Recent Pima County funded improvements have laid the groundwork for this vision; and permitting the Rillito Park Foundation to manage a portion of the park can better facilitate Rillito Regional Park's growth and development.

MICHAEL WEISS

Sincerely,

JAYE H. WELLS,
President

A. Russell True
Chairman



A MANAGEMENT PROPOSAL FOR

Rillito Regional Park

July 20th, 2015





MISSION STATEMENT

The Rillito Park Foundation is an Arizona non-profit dedicated to the preservation, restoration, and betterment of Rillito Park. We believe that private action fused with public support is the best instrument to achieve these goals. We believe that Rillito Park should be managed and developed through a public and private partnership with Pima County. Through this process, the Park's true potential to serve for the enjoyment of all can be realized for now and in the future.





Board of Directors of Rillito Park Foundation, an Arizona non-profit –

Joe Castillo, Ex-Officio – Mr. Castillo has been a horse race owner, trainer and breeder for over twenty years. A long time resident of Tucson, Castillo served as a teacher and school administrator at Pueblo High School in Tucson, Arizona.

Frank DeFazio, Director, Treasurer– Mr. DeFazio is a retired businessman, former overseas staff member of the United States Defense Department and racetrack manager in Florida and Arizona. He is a member of Historic Rillito Racetrack, the nonprofit that led the way for listing the Rillito Historic District on the National Register.

Kaissa Gurvine, Director – Ms. Gurvine is President/CEO of Tucson Adult Soccer League. She is a past commissioner of the American Youth Soccer organization, a board member of the Tucson Women's Soccer League, and was lead working with Pima County Parks and Recreation on the installation of new soccer fields at Arthur Pack Regional Park.

Walt Rogers, Director, Vice-President – A recognized landscape architect in Tucson., Mr. Rogers was on the University of Arizona faculty and is a founding board member of the Tucson Parks Foundation. He served on the Tucson Community Development Advisory Committee. He has been involved with planning for Rillito Park since the mid-nineties.

Rick Schantz, Director – Mr. Schantz is a co-founder, Head Coach, and managing member of FC Tucson, Tucson's professional soccer club, and hosts to Major League Soccer spring training. He serves as Director of Programs for the Ft. Lowell Soccer Club and assists with operations for the Tucson Associations of Realtors Shootout.

Manish Shah, Director – Mr. Shah is the owner and operator of the Maya Tea Company. He serves as Co Executive Director of Heirloom Farmers Markets, with Tucson markets at St. Philip's Plaza and Jesse Owens Park, and Steam Pump Ranch in Oro Valley. He sits on the editorial board of Fresh Cup Magazine.

Russell True, Chairman, Secretary – The True family has owned the White Stallion Guest Ranch in Tucson since 1965. Russell is former two-time president of the Dude Ranchers' Association, former president of the Green Fields Country Day School Board of Trustees, and is a current board member of Visit Tucson - the Metropolitan Tucson Convention and Visitors Bureau.

Chandler Warden, Director – Vice President of the Bert M. Marfin Foundation., Mr. Warden is a trustee of the Arizona-Sonora Desert Museum. Voted Outstanding Philanthropist of the Year for 2013 by the Arizona Association of Fundraising Professionals, he was instrumental in funding projects such as the Skin Cancer Institute of the University of Arizona, the Warden Aquarium at the Desert Museum, and the Tucson Rodeo Parade Museum.

Michael Weiss, Ex Officio, Liaison to the Racing Industry – Mr. Weiss is a president of Weiss Ideas, a consulting firm to the horse racing industry. From 1996 to 2010, Michael served as GM for Beulah Park Race Track in Grove City, Ohio. He is a former Board member of Equibase and the Thoroughbred Racing Association. In 2006, the University of Arizona awarded Michael the John Goodman Alumni Award for outstanding contribution to the racing industry.

Jaye Wells, Director, President – Mr. Wells is a designer and developer whose portfolio includes historic preservation projects and museum work, as well as apparel design and manufacturing. He is a former Trustee and Treasurer of Green Fields County Day School. He is also President of the Board of Heirloom Farmers' Market, Inc. a local nonprofit.



EXECUTIVE SUMMARY

The Rillito Park Foundation proposes a year-round management agreement with Pima County Government to oversee the day-to-day operations of the non field sports portion of Rillito Regional Park. We believe that Rillito Regional Park can become an important contributor to the economic vitality of our region through the generation of new jobs and increased tourism visitation. A multi-year management agreement would facilitate both goals.

Enhancing the multi-use vision established at Rillito, the Foundation plans for a comprehensive effort to improve the facilities and the conducting of current and future activities, including:

- A well promoted venue for community, educational and charitable events & festivals,
- An expanded farmers market, local food-related festivals and recycling services,
- A well maintained "infield" field sports facility, for youth and amateur sports activities, managed by Pima County Natural Resources and Recreation,
- A historic cultural site with a museum and garden,
- A first class historic horse racing facility,
- The expanded use of the Clubhouse, Grandstands and Commercial Kitchen, and
- The expanded use of the newly constructed barns.

These activities are intended to provide recreational, entertainment, educational and amusement opportunities for Pima County residents as well as to attract tourists, thereby promoting regional economic development.

The key components of the Rillito Park Foundation's' strategies are:

- A board of directors of community leaders representing all of Rillito constituencies,
- An advisory board with talent and experience in the various activities,
- A small full time on-site staff to oversee day-to-day operations, marketing, and fundraising, with seasonal and event staff, as appropriate,
- Relations with major and minor sustainable donors,
- Marketing contracts with local & national businesses for promotional opportunities,
- Market driven pricing for activities, balanced with regular hosting of charitable events, and
- A robust fund raising and revenue generating program, to provide for meaningful renovations, capital improvements as well as for our planned activities.

The Rillito Park Foundation's Board of Directors is committed to an efficient operation with a focused goal of having a healthy bottom-line that can be 100% reinvested in the park.

We believe that this investment, combined with the consolidated management of the non field sports activities at Rillito Regional Park, has the potential to create a formidable regional attraction. This attraction should serve to enhance the potential uses of the field sports areas, especially in attracting regional and national tournaments.

Below is an outline of the specific components of this proposal:

1. The agreement would be a management agreement patterned in large part after the County's existing agreement, with the Southwestern Fair Commission, Inc., for the management of Pima County Fairgrounds.
2. The agreement would cover all areas of the park, with the exception of the soccer fields outside of the infield. It would also include the J. Rukin Jelks Stud Farm, which the Foundation already manages under an operating agreement with Pima County.
3. We are suggesting a 5 year term with 3 five-year renewal options. Renewal options would be subject to performance measures.
4. Given that the purpose of the non-profit Rillito Park Foundation is the long-term improvement of Rillito Regional Park, and the enhancement of the benefits previously listed, the agreement would parallel the Pima County Fairgrounds' agreement, with 100% of the net proceeds from all activities used to improve and enhance Rillito Park.
5. An annual improvement plan would be submitted for review by and approval of the County, after an annual audited financial statement has been submitted.
6. The above plan would outline the allocation of the net proceeds with a provision that 20% of the available monies be for purposes designated by the County. Our hope is that the costs of maintenance for the Youth and Amateur Sports component of the park could be subsidized - if not sustained. Supporting the economic development activities related to the park would seem to be another suitable use.
7. The Foundation would submit an annual operating budget to the County for approval.
8. The Foundation would have the right to sub-contract operational activities (i.e. concessions, parking, racing activities, farmers' market activities. etc.) with any and all income from subcontractors included in the accounting for all annual net proceeds. The County would have the right to approve any agreement.
9. Should the County secure a government liquor license for the facility, the Foundation would be granted permission to use the license in their designated areas.



10. The anticipated managed area includes the race track infield, which also contains soccer fields. The Foundation anticipates that it would water, over-seed, mow and otherwise maintain these fields as part of its ongoing responsibility. Use of these fields would be - first, to the Foundation for up to 30 days of racing dates each year, with prior approval of said dates by the County - second, to the County on a first right of refusal basis for all other dates up to two years in advance and - third, the Foundation would have the right to reserve an otherwise unreserved date up to nine-months in advance, twelve times a year. All major soccer tournament dates could be easily reserved by the County as part of their right of first refusal, on a reservations system purchased and maintained by the Foundation, but with full access rights by the County.

11. All maintenance and repairs to the facility and grounds would be the responsibility of the Foundation as outlined in the current operational agreement with Rillito Racing.

12. All improvements would be the responsibility of the Foundation, subject to County approval. Some of the improvement projects that the Foundation anticipates funding are:

- The construction of additional barns for use during the racing season,
- Installation of a 'movable' pedestrian ramp to access the infield,
- Handicap access throughout the facility,
- Further improvements to the kitchen and concession areas, including upgrades to the clubhouse kitchen so that it can be utilized as a community kitchen for farmer's market vendors, revenue generating users and non-profit groups,
- Further improvement to the Pavilion area,
- Development of a sustainable energy and recycling plan, which would include adding solar panels in suitable areas; and a recycling program, for organic waste, grass shavings, horse manure and kitchen food waste, and
- Overall improvements to the Park entry, parking lots and parking signage, as well as clubhouse/grandstand improvements for comfort, appearance and safety,

We recognize that numerous details must be "filled-in" to properly define a workable management contract. We stand ready to work with the Pima County administration to do so. Our goal is to create an economically and environmentally sustainable regional park without the use of taxpayer's dollars. We believe that through cooperative management, all constituencies that call Rillito 'home' can participate and enjoy a thriving Rillito Regional Park.



Fundraising and Revenue Streams

The Rillito Park Foundation is confident that by combining park generated revenue streams with fundraising efforts, Rillito Park can become self-sustaining. A multi-year management agreement would remove the main obstacle to both. The classes of revenue are numerous:

Existing Off-Track Betting Commission – The Rillito Park Foundation, through its subsidiary non-profit Rillito Racing, receives 1.86% of the total wagering on horse races in Pima County. As part of the renewed contract for 2015 and 2016, the Foundation also receives 8.75% of all Source Market Fees when a wager is placed through Advance Deposit Wagering – or phone betting. For the first six months of 2015, the total received is \$112,024.13. Year-round operation of the facility creates the future potential to materially enhance this already **substantial revenue source**.

New Event Generated Revenue – As managers of the park, the Foundation will work with existing event producers to streamline their expenses by cost sharing insurance, licensing, permits, waste removal, parking, and security. Offering a pro rata share of these costs to each event will reduce event expenses while **offsetting annual costs**.

In addition, the inventory of rental items needed to stage a typical event is growing. The Foundation now owns a 40' x 60' tent, over 1000 padded event chairs, 5 portable turnstiles, among other items. It can offer these amenities at a competitive price, while still enjoying a **new revenue stream**.

The Foundation is committed to raising the quality and quantity of events held at Rillito Park. Foundation produced events will **increase annual revenue**. Plans are underway to host music festivals, a second fall racing season, and other events. Through increased marketing, the entire facility from the fields, to clubhouse, to the pavilions will become a destination venue.

We anticipate that, where applicable, current groups can be “godfathered” as to fees and charges, but that a market rent structure can be implemented for future bookings.

Endowment & Donations – The Rillito Park Foundation is blessed to have received the support of the **Bert Martin Foundation**. Gifts for 2014 and 2015 have totaled \$587,000. Another \$100,000 was raised through board member pledges. To-date over \$15,000 has been collected and pledged to the ongoing effort to relocate the barns to the east end of the park.

However, the Foundation consistently hears from **potential new donors** that the absence of a long-term lease prevents donors from committing to giving. The Foundation believes the proposed management contract eliminates this hurdle.

Marketing Rights & Product Sponsorships – Major **new revenue opportunities**, which a long-term lease opens the door to, include advertising and marketing relationships with local, regional, and national businesses. Under the management of the Rillito Park Foundation, multi-year contracts will be negotiated for signage, shared marketing and advertising for events, pouring rights, product usage and introduction, and promotions. **Naming rights** and **sponsorship** opportunities abound, where they make complimentary sense with the overall use of the Park.

Concession Agreements - In addition to the revenue sharing component, concession agreements will be awarded with substantial consideration given to **capital investment commitments**. This is only possible with a longer term agreement which allows the concessionaire to recover costs over an extended time period.

Farmers Market – This activity has been a tremendous success. We believe that with consolidated management, activities can be expanded at the Pavilion area to include many **revenue producing events** such as “celebrity” farm-to-table dinners, community picnics, flea markets and more.

Community Kitchen - Further, expansion of the Clubhouse kitchen could be planned to accommodate inclusion of a Community Kitchen, which could be rented on a 24 hour basis to users like food trucks. We would apply for **grants** that would facilitate non-profit organizations use of this facility.

Jelks Stud Farm – Integrating the Jelks House and stables as a potential meeting venue is significant. As previously mentioned, combining with the Clubhouse and Grandstands areas present an opportunity to derive revenue from the joint facilities. Further, we will pursue **endowment opportunities** for the ongoing preservation and improvement of the farm. The eventual completion of the Museum - and the ensuing **gifting** surrounding artwork, displays, etc. - should be substantial.

New Barns – Use of the barn area on a year-round basis is a real potential. Trail rides through the Rillito Wash, basic boarding services, off season equestrian training activities and educational classes are all **potential new revenue sources**. Additionally, part of this area could be used for activities like bicycle **rentals**, for use on the nearby “Loop”.

In Kind Services – Especially in the short run, events like a community barn raising and **donated** construction **services** will be solicited. We already have expressions of interest.

Small Donations – Throughout the racing season, fans have asked how they might help support Rillito. We plan to offer small donation opportunities



throughout the upcoming racing seasons. The Foundation actively pursues typical fundraising efforts from raffles, merchandise sales, silent auctions, and specifically produced **fundraising events** and galas.

On Site Catering – With a renovated Clubhouse kitchen, the potential for traditional **catered events** becomes viable. Obvious opportunities include weddings, anniversary/birthday parties, quinceaneras, etc. Additionally, we envision the opportunity to host seasonal “pop-up” restaurants.

Certainly, other opportunities will present themselves as we progress through a long term contract. Our goal is to continually try to structure a sustainable revenue stream, for the sole benefit of the Rillito Regional Park.



Rillito Field Sports





With the ongoing construction of additional pitches, Rillito Park is developing into one of Pima County's premier amateur field sport complexes. A long-time hub for club soccer, it also hosts lacrosse, rugby, and football. Field sports are Rillito Park's main year-round attraction.

The new construction will increase the total number of fields from eight to eleven, providing enough fields so that they can be rested at times to allow the grass to recover from heavy usage. While the Rillito Park Foundation proposal does not include management or care for those fields outside the racing track surface, it does for the four in the infield with oversight by Pima County Natural Resources - Parks and Recreation

The Foundation will not only provide a high level of care for those fields, but it will overseed for winter play. In addition, working with the clubs that use the fields, plans and fundraising efforts can be made to add scoreboards, bleachers, shade structures and other amenities in order to stage quality tournaments.

The field sport community can also benefit from the 'one-voice' marketing and shared administrative cost efficiencies the Foundation proposes.

Having the Rillito Park Foundation as managers also promotes communication between the clubs and the various sports throughout Pima County. Through discussion, listening and planning, the optimal use of the Rillito Park fields can be realized.



R I L L I T O - P A R K



520.RILLITO (745.5486) WWW.RILLITORACETRACK.COM

Rillito Race Track





This past spring, the Rillito Park Foundation, through its subsidiary Rillito Racing, hosted a banner season of quarter horse and thoroughbred racing at Rillito. Eighteen days of live racing were followed by weekend simulcasting in the clubhouse, highlighted by the Triple Crown Series that saw local Bob Baffert take American Pharoah to become the first Triple Crown winner since 1978.

Per capita and overall numbers exceeded expectations, however it is some of the relationships brought to the effort that may have the more important long-term impact. Rillito Racing partnered with the University of Arizona's Race Track Industry Program and employed over 20 students, enabling them to get hands-on experience. It was a huge success. Their program will now include courses dealing with Rillito Racing from marketing to financial analysis.

Another boost was working with El Charro and the Flores family to offer much higher quality food and service. There was a full bar for the first time in many years, waitress service and the number of concession locations was expanded. A 60 x 40 foot tent was added so that outside vendors could sell cotton candy, hot dogs, and face painting; and, there was live music between races.

The Foundation is now charged with the task of relocating barns to the east end of the track before the next racing season. The Foundation's plans call for construction of six permanent barns over the next two to three years, a project estimated to cost between \$180,000 and \$200,000. In the interim, rental stalls under tents can infill as individual barns are funded.

While confident it can meet this challenge, a major hurdle will be removed if Pima County enters into a long-term management agreement with the Rillito Park Foundation. Longevity would give our supporters and benefactors confidence that racing will continue at the Historic Rillito Race Track for years to come.



**RILLITO
PARK**

HEIRLOOM
FARMERS  MARKETS

Rillito Farmers' Market





The now year-old formers' market at Rillito is a prime example of what the Rillito Park Foundation envisions for Rillito Park. On any given Sunday morning people from all over gather to shop, eat, and people watch.

The Foundation partnered with Heirloom Farmers' Market to relocate it to Rillito Park. Pima County constructed three of four planned pavilions. The market hosts some 80 vendors selling everything from fresh roasted coffee to organic produce to specimen cactus, French pastries, and more.

The possibility of securing a long-term lease would open up a world of possibilities for the market and related activities at Rillito Park. Following is a list of possible future projects:

- adding markets on Friday afternoons and Saturday mornings
- Offering Arizona wines and craft beers at the markets
- Staging farm-to-table dinners and other culinary events in the pavilions
- Creating a food hub to enable farmers to distribute their produce to restaurants
- Modernizing the clubhouse kitchen to serve as a prep kitchen for market vendors

A long-term lease would also open the door to making major improvements to the facility through grants and donations, such as:

- Adding an additional pavilion for increased vendor use and a shade structure over the pavilion's center
- Adding solar powered lighting to the parking lot for evening events
- Creating additional desert green spaces around the pavilions
- Creating a permanent outdoor kitchen for cooking demonstrations
- Adding bike racks to encourage use of the Loop path to attend the market
- Creating a children's play area.



Rillito Infield Events





Rillito Park has hosted some of Southern Arizona's premier events for decades. From its early days as the hub of quarter horse racing for the entire United States to the wide variety of concerts and festivals that it hosts today, Rillito has always been a destination attraction.

Located in the demographic heart of Tucson, Rillito Park's ideal location makes it much in demand. Unfortunately, the state of disrepair and decay of the facility combined with untapped potential has kept the park underutilized.

The Rillito Park Foundation proposes marketing the park for additional events, even creating some of our own. More importantly, RPF's concept lowers the costs of existing events by allowing the event producers to co-op year-round overhead at Rillito at a cost lower than their current 'one-off' cost burden. For example, during last spring's Viva la Local, the producers saved 25% by using RPF's annual insurance and alcohol licenses. Additionally, RPF provided a 60 x 40 ft. tent and chairs, security, and parking. Such cost savings allow the event producers to expand their events, and make some prospective events more financially feasible.

Through 'one-voice' marketing more awareness of attractions at Rillito Park can be generated. Listing upcoming events in local print and electronic media will spread the word quickly and efficiently.

In short, RPF's concept brings structure and efficiency to all park activities, adding quality as well as quantity to Rillito Park's offerings.



J. Rukin Jelks Stud Farm





In 2013, the Rillito Park Foundation secured a 25 year operating agreement with Pima County to restore and develop the J. Rukin Jelks Stud Farm. While it is a separate adjoining property from the 88 acres of Rillito Regional Park, the Jelks Stud Farm is seen as part and parcel of the historic district recognized by the National Register of Historic Places. In fact, the official listing is ***Rillito Race Track at the J. Rukin Jelks Stud Farm Historic Site.***

While the Jelks Stud Farm is not a part of this proposed management agreement, the Foundation sees it as part of the overall draw in its marketing and planning.

Since acquiring the property, the house has been renovated, courtyard gardens have been planted, and major landscape work across the property is ongoing. The Foundation has hosted several weddings, business meetings and social gatherings at the Jelks Stud Farm.

Last winter, plans for the total restoration of the stables as an event venue were designed by Bob Vint Architects. Mr. Vint is the lead architect for the restoration of the San Xavier Mission. Subsequently, the plans have been approved by the State Historic Preservation Office and fundraising is ongoing.

Future plans call for the consolidation of the Jelks Stud Farm into Rillito Park, including a much-needed new access and egress point off of River Road. The Jelks Stud Farm would also be the site of a proposed Museum of the Western Horse and Rider, focusing on the impact the horse had on the exploration of the Americas from the conquistadors to modern day equestrian sports.

RILLITO PARK FOUNDATION



East River Rd

J. Rukin Jelks
STUD FARM
MUSEUM OF
THE WESTERN
HORSE & RIDER

RILLITO
FIELDSPORTS
FACILITY

PARKING

RACETRACK

RACETRACK

NEW
BARN
AREA

LEASED PARKING

RILLITO
PARK

GRANDSTAND

HORSEMEN'S
PARKING

PARKING

the loop

HEIRLOOM
FARMERS & MARKETS
Saturday & Sunday mornings
in Rillito Park on The Loop

MOUNTAIN
AVENUE
BRIDGE

Rillito River

1ST AVENUE

Rillito Regional Park



J. Rukin Jelks Stud Farm

